

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:CORP:3

PLR-128490-19

Date:

March 23, 2020

Legend

Parent =

Acquired Subsidiaries =

Year 1 =

Date A =

Company Official =

Tax Professional =

Dear :

This letter responds to a letter dated November 12, 2019, submitted on behalf of Parent, requesting an extension of time under §§301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations to file an election. Parent is requesting an extension of time to file a statement, pursuant to Rev. Proc. 89-56, 1989-2 C.B. 643, as modified by Rev. Proc. 2006-21, 2006-1 C.B. 1050, to obtain the Commissioner's advance consent under §1.1502-76(a)(1) of the Income Tax Regulations, without filing a ruling request, to file a consolidated federal income tax return in which one or more members of the group use a 52-53-week tax year and the tax years of all members of the group end within the same 7-day period. The request for an extension to file a statement pursuant to Rev. Proc. 89-56 is sometimes hereinafter referred to as the "Election." The material information is summarized below.

Parent is the common parent corporation of an affiliated group of corporations that file a consolidated federal income tax return (the "Parent Group"). In Year 1, the Acquired Subsidiaries became members of the Parent Group. One or more members of the Parent Group was on a 52-53-week tax year and the tax years of all members of the Parent Group, including the Acquired Subsidiaries, ended within the same 7-day period. The Election was required to be filed with the Parent Group's consolidated federal income tax return (filed on a timely basis, taking into account any extensions) for the tax year ended Date A, but for various reasons, Parent did not make a valid Election.

Under §301.9100-1(c), the Commissioner has discretion to grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I.

Sections 301.9100-1 through 301.9100-3 provide the standards that the Commissioner will use to determine whether to grant an extension of time to make a regulatory election. Section 301.9100-1(a). Section 301.9100-2 provides automatic extensions of time for making certain elections. Requests for relief under §301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government. Section 301.9100-3(a).

In this case, the time for filing the Election is fixed by Rev. Proc. 89-56. Therefore, the Commissioner has discretionary authority under §301.9100-3 to grant an extension of time for the Parent to file the Election, provided Parent shows it acted reasonably and in good faith, the requirements of §§301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government.

Information, affidavits, and representations submitted by Parent, Company Official, and Tax Professional explain the circumstances that resulted in the failure to timely file the Election. The information establishes that Parent reasonably relied on a qualified tax professional, including a tax professional employed by Parent, who failed to make, or advise Parent to make, the Election, and that the request for relief was filed before the failure to make the Election was discovered by the Internal Revenue Service. See §301.9100-3(b)(1)(i) and (v).

Based on the facts and information submitted, including the representations made, we conclude that Parent has shown it acted reasonably and in good faith, the requirements of §§301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government.

Accordingly, an extension of time is granted under §301.9100-3, until 90 days from the date on this letter, for Parent to file a consolidated federal income tax return for the Parent Group for the tax year ending on Date A, amended to include the statement required by Rev. Proc. 89-56. A copy of this letter must be attached to such return; alternatively, if the amended return is filed electronically this requirement may be satisfied by attaching to that return a statement that provides the date on, and control number (PLR-128490-19) of, the letter ruling.

The above extension of time is conditioned on Parent Group's tax liability (if any) being not lower, in the aggregate, for all years to which the Election applies, than it would have been if the Election had been timely made (taking into account the time value of money). No opinion is expressed as to Parent Group's tax liability for the year involved.

A determination thereof will be made by the applicable Director's office upon audit of the federal income tax returns involved.

We express no opinion as to the tax consequences of filing the Election late under the provisions of any other section of the Code and regulations, or as to the tax treatment of any conditions existing at the time of, or resulting from, filing the Election late that are not specifically set forth in the above ruling. Specifically, we express no opinion as to whether Parent Group qualifies to obtain the consent of the Commissioner provided under Rev. Proc. 89-56. For purposes of granting relief under §301.9100-3, we relied on certain statements and representations made by Parent, Company Official, and Tax Professional. However, the Director should verify all essential facts. In addition, notwithstanding that an extension is granted under §301.9100-3 to file the Election, penalties and interest that would otherwise be applicable, if any, continue to apply.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

Pursuant to the power of attorney on file in this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Thomas I. Russell
Chief, Branch 1
Office of Associate Chief Counsel (Corporate)

cc: